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Performance Appraisal and Recognition System

I. PURPOSE

This order establishes the U.S. Environmental Protection Agency's policy for its performance management system: the Performance Appraisal and Recognition System. The objective of the EPA's performance management systems is to communicate organizational goals and objectives, promote accountability for achieving those goals, assess performance using appropriate measures, and improve individual and organizational performance. PARS conforms to the performance management requirements of Chapter 43 of Title 5, United States Code and Title 5, Code of Federal Regulations Part 430.

II. DEFINITIONS

(a) *Acceptable Level of Competence*: The performance (i.e., fully successful) by an employee that warrants advancement of the employee's rate of basic pay to the next higher step of the grade in accordance with 5 CFR §§ 531.403 and 404.

(b) *Additional Performance Element*: A dimension or aspect of individual, team or organizational performance that is not a critical or non-critical element. Such elements are not used in assigning a summary level but, like critical and non-critical elements, are useful for purposes such as communicating performance expectations and serving as the basis for granting awards. Such elements may include, but are not limited to, objectives, goals, program plans, work plans and other means of expressing expected performance. The use of additional elements is optional.

(c) *Appraisal*: The process under which performance is reviewed and evaluated.

(d) *Appraisal Period*: The established period of time for which performance will be reviewed and a rating of record will be prepared.

(e) *Appraisal System*: The framework of policies and parameters established by the agency for the administration of the performance appraisal program.

- (f) *Critical Element*: A work assignment or responsibility of such importance that unacceptable performance on the element would result in a determination that an employee's overall performance is unacceptable. Critical elements shall be used to measure performance only at the individual level.
- (g) *Exceeds Expectations*: The level of performance above fully successful but below outstanding. This level signifies that the results achieved are clearly beyond what could be reasonably expected.
- (h) *Fully Successful*: The level of performance below exceeds expectations but above minimally satisfactory. This level signifies the employee's performance results achieved are those that can be reasonably expected of any employee on the job in order to fully and adequately achieve assigned responsibilities.
- (i) *Goal Cascading Method*: The downward flow of the agency's goals established in its strategic and annual performance plans to the work unit level.
- (j) *Interim Rating*: A written rating prepared as input to the employee's rating of record. An employee must have performed work under an approved performance plan for at least 90 days in an appraisal period to receive an interim rating.
- (k) *Minimally Satisfactory*: The level of performance below fully successful but above unacceptable. This level signifies that there is a significant problem(s) with the employee's performance although the performance has not reached the unacceptable level in any critical element.
- (l) *Non-Critical Element*: A dimension or aspect of individual, team or organizational performance, exclusive of a critical element, that is used in assigning a summary level. Such elements may include, but are not limited to, objectives, goals, program plans, work plans and other means of expressing expected performance. The use of non-critical elements is optional.
- (m) *Outstanding*: The highest performance level possible; above exceeds expectations. This level is reserved for the truly exemplary employee who demonstrates the highest degree of achievement in his or her area(s) of work.
- (n) *Performance*: Accomplishment of work assignments or responsibilities.
- (o) *Performance Assistance Plan*: An assistance plan that may be provided when an employee's performance falls to the minimally satisfactory level and no critical elements are rated unacceptable.
- (p) *Performance Improvement Plan*: A plan designed to inform an employee of the critical elements for which performance is unacceptable and of the performance requirement or standard(s) that must be reached in order to demonstrate acceptable, i.e., minimally satisfactory, performance in his or her position.
- (q) *Performance Management*: The systematic process by which an agency involves its employees, as individuals and members of a group, in improving organizational effectiveness in the accomplishment of agency mission and goals.
- (r) *Performance Plan*: All of the documented performance elements that set forth expected performance. A plan must include all critical elements, non-critical elements (if any) and their performance standards. This is commonly known as the performance agreement.

(s) *Performance Standard*: The management-approved expression of the performance threshold(s), requirement(s) or expectation(s) that must be met to be appraised at a particular level of performance. A performance standard is written in terms of specific measures that will be used to appraise performance which may include, but are not limited to, quality, quantity, timeliness and manner of performance.

(t) *Progress Review*: A discussion with the employee communicating the employee's performance compared to the performance standards of critical and non-critical elements.

(u) *Rating*: The documented appraisal of performance compared to the performance standard(s) for each critical and non-critical element on which there has been an opportunity to perform for a minimum period of 90 days.

(v) *Rating of Record*: The performance rating prepared at the end of an appraisal period for performance of agency-assigned duties and the assignment of a summary level. This constitutes an official rating of record.

(w) *Summary Levels*: Descriptors used to describe ratings of records. The five summary levels under PARS are: outstanding, exceeds expectations, fully successful, minimally satisfactory and unacceptable.

(x) *Unacceptable*: The lowest level of performance. This level signifies that the employee consistently fails to meet the established performance standards in one or more critical elements.

III. COVERAGE

(a) This order applies to all general schedule employees (GS, GM and GL) and prevailing rate employees within the agency. It excludes:

- Members of the Senior Executive Service;
- Senior Level Scientific and Professional Employees;
- Executives appointed by the President;
- Administrative Law Judges;
- Employees on emergency or temporary appointments not to exceed 120 days;
- Public health service officers; and
- Employees in the Office of the Inspector General.

(b) If provisions of this order conflict with the provisions of a collective bargaining agreement, the provisions of the CBA must be applied as long as they do not violate the law or government wide regulations in effect on the date the CBA was approved. For further guidance on performance management issues involving bargaining unit employees, please contact the servicing Labor and Employee Relations office.

IV. AUTHORITY AND REFERENCES

- 5 USC Chapter 43: Performance Appraisal

- 5 CFR Part 430: Performance Management
- 5 CFR Part 432: Performance Based Reduction in Grade and Removal Actions
- U.S. Office of Personnel Management: A Handbook for Measuring Employee Performance, September 2011
- EPA Order 3110.16, Reduction in Grade and Removal Based on Unacceptable Performance

V. ROLES AND RESPONSIBILITIES

(a) Office of Human Resources

- (1) Will oversee the agency's performance management program.
- (2) Will ensure program compliance with laws, regulations, agency policy, pertinent government wide guidance, CBAs and sound management principles.
- (3) Will provide supervisors and employees training, assistance, guidance and distribute information on performance management issues.
- (4) Will coordinate and promulgate any required, agencywide, critical elements and performance standards.
- (5) Will evaluate the program and make improvements or corrections as needed.
- (6) Will provide reports and information to OPM as necessary.
- (7) Will take any action required by OPM to ensure conformance with applicable law, regulation, and OPM policy.
- (8) Must report ratings of record data to the Central Personnel Data File in compliance with instructions in the OPM's Operating Manual, *Federal Workforce Reporting Systems*.

(b) Human Resources Shared Service Centers

- (1) Will record ratings of record in the agency's HR data system.
- (2) Will maintain employee performance ratings according to agency and the OPM record management requirements.
- (3) Must transfer the employee's ratings of record when an employee transfers to another agency or is assigned to another organization within the agency in compliance with 5 CFR Part 293 and the OPM's Operating Manual, *The Guide to Personnel Recordkeeping*.

(c) Managers and Supervisors

- (1) Must ensure that accomplishments of objectives are linked to the agency's strategic plan and mission goals.
- (2) Must adhere to law, regulations and agency policy on performance management.
- (3) Must be familiar with and adhere to applicable CBAs for covered employees.
- (4) Must maintain and update performance plans and position descriptions as conditions and duties change.
- (5) Must evaluate and rate employees fairly and objectively.
- (6) Must ensure a mid-year review and annual review are conducted and documented for each employee.
- (7) Should include employees in the development of annual performance plans and corrective action plans.
- (8) Should provide feedback, coaching and mentoring to employees.
- (9) Should provide developmental opportunities and experiences to employees.
- (10) Should acknowledge employees for their achievement of organizational goals throughout the year.

(d) Servicing Labor and Employee Relations Specialists

- (1) Provides guidance to supervisors and managers on an individual employee's performance management issues.
- (2) Provides guidance on collective bargaining agreements and bargaining unit performance management issues.

(e) Program Management Officers and Regional HR Officers

- (1) Will ensure program and regional managers and supervisors are aware of performance management policy and procedures.
- (2) Will be the first point of contact for regional and program performance management issues.
- (3) Will review program and regional performance plans for accuracy and completion before sending original performance plans with ratings to the servicing HR SSC.
- (4) Will communicate, collaborate and coordinate with the OHR on performance management issues (e.g., working with senior managers to complete mid-year and annual performance review certifications, performance appraisal assessment reviews, implementation of new standards, etc.)

(f) Employees

- (1) Should participate in developing their annual performance plan and work with their supervisors over the course of the rating cycle to maximize their performance.
- (2) Should understand how their work supports the agency's strategic plan and other organizational plans.
- (3) Should be actively engaged in their mid-year and annual performance reviews and are encouraged to provide a self-assessment to their supervisor prior to their mid-year review and final rating of record discussion.
- (4) Should request feedback from their supervisor on a regular basis.
- (5) Are encouraged to discuss training and development needs with supervisor.

VI. POLICY

(a) General Requirements of PARS

- (1) Supervisors and covered employees are required to adhere to the provisions of 5 USC Chapter 43, 5 CFR Part 430, this order, agency guidance and collective bargaining agreements.
- (2) The agency form for documenting rating of records and performance discussions is EPA Form 3115-35, *EPA Performance Appraisal and Recognition System Performance Plan and Summary Appraisal Package* (Appendix A). If an employee is covered by a certified collective bargaining unit, the applicable negotiated PARS 3115-35 form must be used to establish performance plans.
- (3) Performance plans must align with and support the agency's strategic plan and organizational goals.
- (4) Performance plans must include realistic measures. Performance measures should be reasonable with an expectation the employee will be able to achieve the goals within the timeframes and parameters set by the plan. Appropriate measures include, but are not limited to, quality, quantity, timeliness and cost-effectiveness.
- (5) Performance plans must differentiate levels of performance to appropriately rate employee performance and provide an equitable basis for personnel decisions.
- (6) Critical elements in the employee's performance plan must be established at the *fully successful* level.
- (7) Employees must receive assistance to address and improve less than *fully successful* performance. Supervisors and managers must consult the servicing LER specialist when performance issues arise, to determine proper next steps. Performance issues may result in the issuance of a *performance assistance plan*, *performance improvement plan*, or a minimally satisfactory counseling/conversation, as determined by the employee's level of performance.
 - (i) If the employee fails to correct *unacceptable* performance after notification and assistance has been provided, the supervisor or manager must take appropriate action in

accordance with 5 CFR Part 432, EPA Order 3110.16, *Reduction in Grade and Removal Based on Unacceptable Performance* and any applicable CBA.

(8) Generally, the supervisor of record must provide the rating of record; however, there will be times when the supervisor of record is unavailable (extended leave, detail, etc.) to conduct discussions so the acting supervisor will provide the rating of record.

(9) If an employee is on a detail for a full rating cycle (i.e., one year), the detail supervisor is responsible for establishing the performance plan, conducting the mid-year and end of year discussions and providing a rating of record.

(10) Changes to an employee's performance plan may be made during the year if justified (e.g., changes to the employee's position description or new duties are assigned to the organization); however, the supervisor of record (or the acting supervisor) and the employee must discuss, review, and initial any changes to the performance plan and the employee must receive a copy of the revised plan.

(11) Performance plans should hold employees accountable for achieving results.

(12) Supervisors should involve employees in the development and implementation of their performance plans so employees may obtain a clear understanding of performance expectations.

(13) Supervisors and managers should have an ongoing dialogue with employees about their performance and developmental needs throughout the rating cycle.

(b) Appraisal Period

(1) The appraisal period for PARS is one year. The rating cycle runs on a fiscal year schedule (October 1 of current year through September 30 of the next year).

(2) When a rating of record cannot be prepared at the time specified, the appraisal period shall be extended. Once the conditions necessary to complete a rating of record have been met, a rating of record shall be prepared as soon as practicable (see section VI(b)(5), below).

(3) A PARS plan shall be established within 30 calendar days under the following circumstances:

(i) The beginning of the appraisal period;

(ii) The employee's entrance on duty;

(iii) The assignment of an employee to a detail or temporary promotion scheduled for 120 days or longer; or

(iv) The assignment of an employee to a new position.

(4) Ratings of record shall be issued within 30 calendar days from the end of an appraisal period, including any extensions, if applicable, provided minimum requirements are met (see section VI(b)(5), below).

(5) To receive a rating of record an employee must:

- (i) Be permanent full-time or part-time and under established performance standards for at least 90 calendar days; or
- (ii) Be a temporary employee who has worked more than 120 days during the appraisal period under established standards for at least 90 calendar days.

(c) Interim Ratings

(1) Interim ratings are prepared when an employee has worked under performance standards in the position for at least 90 calendar days and if one or more of the following occurs:

- (i) The employee changes position (i.e., reassignment, promotion, change to lower grade, or transfer);
- (ii) The employee completes a temporary assignment of 120 days or longer (e.g., detail, temporary promotion, etc.);
- (iii) The supervisor of record leaves the supervisory position; or
- (iv) To document a level of competence determination for within-grade increase purposes when the employee's most recent rating of record is not at least fully successful. A rating for this purpose becomes the rating of record.

(2) When interim ratings are required, the supervisor preparing the rating should discuss the interim rating with the employee before he or she departs the position or the employee changes position.

(3) A copy of the interim appraisal will be provided to the supervisor of record who will issue the rating of record and to the employee.

(4) Any interim rating must be considered by the supervisor of record in assigning an annual rating of record.

(5) The interim rating should be attached to the employee's current performance plan (EPA Form 3115-35) for the supervisor of record's consideration; however, for level of competence determinations for within-grade increases (VI(c)(1)(iv) above), the rating should be entered on the applicable (non-bargaining or bargaining unit) PARS form.

(d) Mid-Year Review

Progress reviews are encouraged throughout the year; however, one formal review must be conducted mid-way in the performance cycle and documented on EPA Form 3115-35 or the applicable bargaining unit 3115-35 PARS form.

(e) Rating of Record

(1) A rating of record must be given at the completion of the appraisal period (including any extensions, if applicable). The rating shall cover the specified appraisal period. A rating prepared for a previous appraisal period cannot be carried over for a subsequent appraisal period(s) without an actual evaluation of the employee's performance during the subsequent appraisal period.

(2) When either a regular or an extended appraisal period ends and the deadline for providing a rating of record passes or a subsequent rating of record is issued, supervisors cannot produce or change retroactively a rating of record that covers the earlier appraisal period, except that a rating of record may be changed:

- (i) Within 60 calendar days of issuance based upon an informal request by the employee;
- (ii) As a result of a grievance, complaint or other formal proceeding permitted by law or regulation that results in a final determination by the appropriate authority that the rating of record must be changed or as part of a bona fide settlement of a formal proceeding; or
- (iii) When the agency determines that a rating of record was incorrectly recorded or calculated.

(f) Special Circumstances

(1) Employees on details or temporary promotions for less than 120 calendar days are not required to have critical elements or a performance plan established for the short-term detail or temporary promotion (i.e., the employee most likely would not meet the 90 days on standards requirement for an interim rating). The detail or promotion supervisor must still provide the supervisor of record with a written summary of the employee's performance. The supervisor of record will attach the summary to the employee's current performance plan and must consider the employee's performance on the short-term detail or promotion when assigning an official rating of record.

(2) When an employee is detailed or temporarily promoted within the agency for a period which is expected to last 120 calendar days or longer, critical elements covering the temporary work assignment must be developed and included in the employee's performance plan established for the detail/temporary promotion position. The supervisor for the detail or temporary promotion should work with the employee to develop critical elements covering the temporary work assignment as soon as possible but no later than 30 calendar days after the beginning of the assignment. The supervisor for the detail or temporary promotion is responsible for evaluating the employee's performance against these critical elements and providing an interim rating to the employee's supervisor of record at the end of the temporary assignment. At the end of the appraisal period, the supervisor of record bases the rating of record on the interim rating and information on performance in all covered positions held during the appraisal period. The rating of record should reflect the relative period of time spent in each position.

(3) Before an employee transfers to a new agency after having served the 90-day minimum period in positions covered by the plan, the EPA supervisor of record must evaluate the employee's performance prior to the employee's departure, prepare a written summary and rating (on EPA Form 3115-35), and share it with the employee before forwarding it to the servicing HR SSC. Among other requirements, the servicing HR SSC will file the documentation in the employee's employee performance file before transferring it to the new agency.

(4) If an employee transfers to the agency less than 90 calendar days before the end of the agency's appraisal period, the supervisor will extend the rating period for the period of time necessary to allow the employee to complete the 90-day minimum period. After the employee has completed the 90-day minimum period in the agency position, the supervisor prepares a rating of record.

(i) If the employee starts a position at the agency 30 days or less before the end of the standard appraisal period (i.e., September 1 through September 30), the supervisor should not extend the appraisal period; instead, the supervisor will place the employee on a performance plan covering the subsequent rating period. For example, an employee starts at the agency on September 1. The supervisor places the employee on a performance plan on September 20. The rating period for this employee will last from September 20 of the current year until September 30 of the next year. After the extended first year, the employee's rating period will be on a normal cycle (barring any special circumstances).

(5) In cases where employees are detailed outside of the agency, the supervisor of record must make a reasonable effort to obtain performance information from the outside organization or agency. This information shall be considered in deriving the employee's next rating of record.

(i) If the employee has served in the agency for the 90-day minimum period at any time during the appraisal year, the employee must be rated by the supervisor of record at the end of the appraisal period. The rating of record shall take into consideration performance appraisal information obtained from the outside organizations.

(6) Employees on an Intergovernmental Personnel Act Assignment

(i) Supervisors are responsible for developing performance plans for any of their employees on an IPA assignment of more than 3 months in length. Agency employees on IPA assignments may receive a rating of record based on a combination of their IPA and agency service or solely on the basis of their IPA performance (if they did not work at the agency during the appraisal year) if the following conditions are met:

(A) Critical elements and measures for the IPA assignment were approved by the agency supervisor of record;

(B) The employee has had an opportunity to perform under the approved performance plan for at least 90 calendar days during the appraisal period;
and

(C) The IPA supervisor supplies a list of accomplishments or performance highlights for the rating period. The agency supervisor of record evaluates the performance information, assigns a rating level for each critical element and assigns an overall rating of record.

(g) Training and Development

(1) Agency employees, supervisors and managers shall receive information on PARS to ensure they are familiar with the system. Awareness shall be provided using appropriate methods such as, but not limited to, memoranda, briefing sessions, on-line or instructor led training.

(2) The process of performance management provides an excellent opportunity to identify developmental needs. Employees, supervisors and managers should be provided with training and development opportunities (formal and informal) to encourage good performance, strengthen job-related skills and competencies, and help keep up with changes in the work environment.

(h) Performance-Based Actions: The rating of record has a bearing on certain personnel actions, as outlined below:

(1) *Within-Grade Increase*: An employee's current rating of record must be fully successful or higher for the employee to receive a within-grade increase (along with meeting other requirements covered in 5 CFR 531, Subpart D).

(2) *Promotion*: An employee must have a current rating of record of fully successful or higher, in addition to meeting any other prescribed requirements, in order to be non-competitively promoted to a higher grade in a career ladder position.

(3) *Quality Step Increase*: May be awarded to employees who display high quality performance. A quality step increase may only be granted to an employee when the employee's most recent performance rating of record is outstanding.

(i) Accountability

(1) Supervisors and managers are responsible for ensuring that their employees have performance plans established annually, receive a formal mid-year review, and that a rating of record is issued in accordance with the policies and procedures outlined in this order. At the end of the mid-year review and annual appraisal cycle, each assistant administrator and regional administrator shall certify completion of these processes to OHR.

(2) Each regional and program office shall maintain documentation in support of the certifications. Supporting documentation may include maintaining a copy of the certification sent from the subordinate organizations, along with the certification sent to OHR.

(3) The agency must periodically evaluate the effectiveness of its performance management system and implement improvements as needed. OHR will notify programs and regions in advance of evaluations, provide results, or changes to policy or procedures and assist with implementation, as necessary.

(j) Rewarding Performance

(1) Rewarding performance means providing incentives to, and recognition of, employee performance and acknowledging contributions in meeting the agency's goals and objectives throughout the year. Whenever possible, recognition should be immediate to recognize and reinforce the importance of good performance.

(2) Supervisors have the flexibility to recognize employee achievements using a number of awards and forms of recognition. The award or recognition is at the discretion of the approving official. For additional guidance see EPA Manual 3130, *Recognition Policy and Procedures*.

VII. PROCEDURES

(a) Performance Plan Discussions

(1) The purpose of the performance plan discussion is to discuss employee performance and expectations and to provide feedback. Supervisors are encouraged to have performance discussions with their staff throughout the year. At a minimum, a mid-year discussion and a closeout of current appraisal period and establishment of standards for the new appraisal period discussion must take place each appraisal period; in addition, any changes to the employee's PARS plan during the appraisal period warrant a discussion.

(2) The supervisor should be prepared to discuss:

(i) What the employee has accomplished;

(ii) The strengths and areas for improvement of the employee's performance;

(iii) Specific examples of the employee's performance to illustrate the points made in the discussion; and

(iv) Any key points and questions to be discussed at the meeting.

(3) In order to actively engage the employee in the performance discussion process, the supervisor of record should solicit input from the employee about his or her work accomplishments for the period being discussed. This can be as simple as a short narrative, a bulleted list, or some other form of documentation. Program offices and regions are free to specify a specific type of documentation (e.g., a bulleted list limited to two pages) for this purpose.

(4) The supervisor of record must review the PARS plan to ensure it is on the correct form and the employee's information is correct when it is initially established.

(5) The performance discussion should be scheduled in advance and enough time should be allotted to allow for meaningful communication.

(6) Generally, performance discussions should be held only between the supervisor of record and the employee being assessed. Advance notice should be provided to the employee for circumstances when another official (e.g., a team leader; a second-level supervisor) will be

included in the discussion. Supervisors of record should contact their servicing labor and employee relations specialist for guidance when other attendees are being considered.

(7) At the discussion, the supervisor of record should:

- (i) Discuss the employee's performance for the period being rated;
- (ii) Actively engage the employee in the discussion;
- (iii) Articulate any concerns and expectations;
- (iv) Discuss how the employee's performance links to the strategic goals of the organization; and
- (v) Ask the employee to articulate any concerns and expectations.

(8) The supervisor of record should ensure the new performance plan established for the new rating period is accurate according to the specifications of this order.

(9) Signing the PARS Plans

- (i) Closeout of current appraisal period and establishment of standards for the new appraisal period: once the discussion is complete, the supervisor of record and the employee must sign and date the appraisal form for the current appraisal period in the appropriate space on the form. The supervisor and employee must also sign and date the appraisal form for the new rating period in the appropriate space on that form.
- (ii) Mid-year: Once the discussion is complete, the supervisor of record and the employee must initial and date the appraisal form for the current appraisal period in the appropriate space on the form.
- (iii) If there are any changes to the employee's PARS plan during the rating period, both the supervisor of record and the employee must initial and date all changes.
- (iv) The employee must be provided with a copy of the PARS plan whenever it is signed or initialed.
- (v) The employee may refuse to sign the appraisal form (for any reason); however, the supervisor of record will move forward with the rating of record and/or new performance plan if the policy and procedures in this order have been followed. In such cases, the supervisor of record should document the circumstances and make sure the employee is informed of what has taken place and receives a copy of the form. Ratings of record may only be changed retroactively according to the provisions of section VI(e) of this order.

(10) Completed PARS plans should be sent to the servicing HR SSC to be filed in the employee's Employee Performance File. The supervisor of record should maintain a copy of the appraisal form along with any attachments (individual development plans, performance narrative submitted by employee, etc.) in a local file according to the agency records retention schedule.

(b) Summary Levels

(1) The agency has received approval from OPM to use a five level summary pattern (Pattern H according to 5 CFR § 430.208(d)). The designations of the five summary levels are: *outstanding*, *exceeds expectations*, *fully successful*, *minimally satisfactory* and *unacceptable*. These patterns and summary level descriptors must be used to consistently describe ratings of records. The descriptors are also used as a reference point for applying other related regulations, including but not limited to, assigning additional retention service credit.

(2) The descriptors and the level definitions are as follows:

Definitions of Summary Rating Levels

Outstanding (Level 5)	This level is reserved for the truly exemplary employee who demonstrates the highest degree of achievement in his/her area(s) of work. This employee demonstrates an extraordinary degree of initiative and self-reliance in identifying and resolving problems or requirements of the work situation, and in developing, recommending or executing innovative solutions successfully to accomplish tasks ahead of target. The employee is extremely adaptable in adjusting to, and resolving, new, unusual, difficult or complex situations or problems in order to successfully accomplish program objectives. The employee's performance and contributions are of such a high level that they produce a significant and positive impact on the performance of others and the operations or reputation of the work unit.
Exceeds Expectations (Level 4)	This level signifies that the results achieved are clearly beyond what could be reasonably expected.
Fully Successful (Level 3)	This level signifies the employee's performance results achieved are those that can be reasonably expected of any employee on the job in order to fully and adequately achieve assigned responsibilities.
Minimally Satisfactory (Level 2)	This level signifies that there is a significant performance-related problem(s) although the performance has not reached "unacceptable" in any critical element. The employee demonstrates limited ability in producing work of acceptable volume and/or quality within established timeframes; or exhibits limited sense of personal responsibility and accountability in work assignments; or experiences difficulty in addressing new or unusual work situations under normal pressure; or require frequent guidance and assistance from supervisor or others. The supervisor of record is required to provide immediate assistance to help an employee improve performance that has slipped to the minimally satisfactory level in any critical element but has not yet reached the unacceptable level. Assistance is intended to help the employee improve his or her performance to "fully successful".
Unacceptable (Level 1)	This level signifies the performance of the employee consistently fails to meet the established performance standards in one or more critical elements of the employee's position. When performance is rated at this level, a Performance Improvement Plan must be implemented to help the employee improve his/her performance to an acceptable level; i.e. "minimally satisfactory."

(c) Elements, Standards and Measures

(1) The agency reserves the right to establish required critical elements, standards, and measures for supervisors, managers, employees and certain job categories. Required critical elements and performance measures shall be simplified and synthesized as much as possible. The establishment of these elements requires timely coordination with the OHR prior to issuance for implementation.

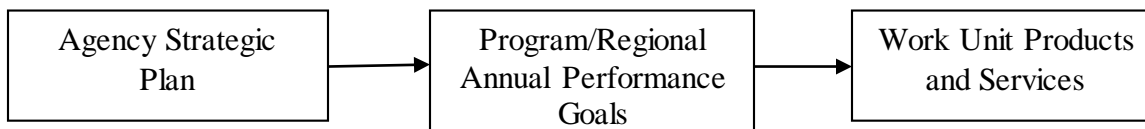
(2) An employee must have a minimum of two and no more than five critical elements in their PARS plan that must be linked to the agency's strategic plan, regional plan or other local or program specific goals and plans, as appropriate. The critical element is to describe the work assignments and responsibilities that are significantly influenced by an employee's work effort and within the employee's control. These elements cascade down from the senior executive, to the supervisor and then to the employee.

(3) Critical elements in the employee's performance plan must be established at the *fully successful* level (i.e., if the employee meets all or most of the requirements and expectations under the critical element he or she would receive a *fully successful* rating for that element). This level is robust and reflects the employee's ability to fully and satisfactorily complete all or most of their assigned duties and responsibilities.

(4) Critical elements established in an employee's performance plan must be realistic, designed to achieve results, in alignment with the employee's position description and hold the employee accountable for the work assignments and responsibilities of his or her position.

(5) All critical elements should link to the goals or objectives of the agency's strategic plan, regional plan or other local or program specific goals and plans, as appropriate. If a critical element is linked to a goal, then the relevant objective(s) is used to more specifically define the linkage. If duties include the performance of cross-agency or cross-media work (including administrative, financial or legal support functions, or information management) then it may be more appropriate to link each critical element to a strategy, rather than an environmental goal. For management and support functions not captured by the cross-goal strategies, the following alternative linkage statement shall be used: "This work is an enabling and support function that supports the outcome of the agency's strategic goals." The goals and objectives of the agency's strategic plan, regional plan, or other local/program specific plan, shall be annotated for each critical element on the PARS plan.

Cascading agency goals to work units



(6) Non-critical elements affect the summary rating level and identify a dimension or aspect of individual, team or organizational performance, exclusive of a critical element. These elements are entirely optional but should be identified as *non-critical elements* in the employee's PARS plan.

(7) Additional elements do not affect the summary rating level but can be used to help focus employees on goals and achievements that are important to the organization. These elements are entirely optional but should be identified as *additional elements* in the employee's PARS plan.

(8) The following uniform benchmark standards are mandatory and must be used for each critical element without modification. As necessary, measures and metrics may be added at the end of the mandatory standard for a specific position, regional office or program office.

Benchmark Standards

Outstanding	Delivers products or services that, to an extraordinary degree, support the agency's strategic plan, programs, policies, organizational annual performance plans, or budget priorities. Products or services are of exceptional quality and provide exemplary models for addressing the most difficult and complex work challenges and demonstrate the highest levels of creativity, skill, and knowledge of subject area. Products are consistently produced ahead of the expected timeframes and reliably comply with applicable statutes, regulations, and established policies and procedures. Adjusts with exceptional quickness and ease to changing priorities, consistently taking the lead. Products or services demonstrate exceptional research and analysis. Exhibits exceptional skills in independently planning, organizing, and prioritizing multiple assignments. Consistently develops and offers suggestions for organizational and work process improvements that substantially increase results, efficiency, or effectiveness. Communicates verbally and in writing with exceptional clarity and effectiveness, often on topics or issues that are emerging and without precedent. Written materials are always well received and easily understood by a range of individuals and groups and significantly promote the agency's programs and mission. Provides exceptional leadership in promoting teamwork and collaboration across organizations. <i>Measures and metrics may be included.</i>
Exceeds Expectations	Delivers products or services that, to a degree beyond what can reasonably be expected, support the agency's strategic plan, programs, policies, organizational annual performance plans, or budget priorities. Products or services are of superior quality and provide excellent models for addressing the most difficult and complex work challenges and demonstrate high levels of creativity, skill, and knowledge of subject area. Products or services are frequently produced ahead of the expected timeframes and reliably comply with applicable statutes, regulations, and established policies and procedures. Adjusts quickly to changing priorities, often taking the lead. Products or services demonstrate high quality research and analysis. Exhibits excellent skills in independently planning, organizing, and prioritizing multiple assignments. Frequently develops and offers suggestions for organizational and work process improvements that increase results, efficiency, or effectiveness. Communicates verbally and in writing with excellent clarity and effectiveness, often on topics or issues that are emerging and without precedent. Written materials are consistently well received and easily understood by a range of individuals and groups, significantly promoting the agency's programs and mission. Provides high quality leadership in promoting teamwork and collaboration across organizations. <i>Measures and metrics may be included.</i>
Fully Successful	Delivers products or services that support the agency's strategic plan, programs, policies, organizational annual performance plans, or budget priorities. Products or services are of a good quality and provide good models for addressing work challenges and require high levels of creativity, skill, and knowledge of subject area. Products are produced within the expected timeframes and reliably comply with applicable statutes, regulations, and established policies and procedures. Adjusts to changing priorities. Products or services demonstrate thorough research and analysis. Exhibits effective skills in independently planning, organizing, and prioritizing multiple assignments. Develops and offers suggestions for organizational and work process improvements that increase results, efficiency, or effectiveness. Effectively communicates verbally and in writing. Written materials are well received and easily understood by a range of individuals and groups, promoting the agency's programs and mission. Promotes teamwork and collaboration across organizations. <i>Measures and metrics may be included.</i>
Minimally Satisfactory	Delivers products or services that marginally support the agency's strategic plan, programs, policies, organizational annual performance plans, or budget priorities. Products or services demonstrate occasional deficiencies in creativity, skill, and knowledge of subject area. Products or services are occasionally produced in an untimely manner or do not comply with applicable statutes, regulations, and established policies and procedures. Has some difficulty adjusting to changing priorities. Products or services sometimes lack adequate research and analysis. Occasionally demonstrates difficulty with independently planning, organizing, and prioritizing

	multiple assignments. Infrequently offers suggestions for organizational and work process improvements that increase results, efficiency or effectiveness. Verbal and written communications lack clarity. Written materials are generally not well received or understood by a range of individuals and groups. Infrequently promotes teamwork and collaboration across organizations. <i>Measures and metrics may be included.</i>
Unacceptable	Often delivers products or services that do not support the agency's strategic plan, programs, policies, organizational annual performance plans, or budget priorities. Products or services demonstrate frequent deficiencies in creativity, skill, and knowledge of subject area. Products are not produced in a timely manner and do not comply with applicable statutes, regulations, and established policies and procedures. Often has difficulty adjusting to changing priorities. Products or services often lack adequate research and analysis. Often demonstrates difficulty with independently planning, organizing, and prioritizing multiple assignments. Rarely offers suggestions for organizational and work process improvements that increase results, efficiency or effectiveness. Verbal and written communications often lack clarity. Written materials are frequently not well received or understood by a range of individuals and groups. Does not promote teamwork and collaboration across organizations. <i>Measures and metrics may be included.</i>

(d) Determining a Summary Rating of Record

(1) The supervisor of record shall not assign a rating of record under a forced distribution.

(2) Ratings are based on objective, specific and measurable criteria using the following method and criteria:

(i) For a summary performance rating of *outstanding*, one half or more of the critical elements are rated outstanding and none of the critical elements are rated lower than exceeds expectations.

(ii) For a summary performance rating of *exceeds expectations*, one half or more of the critical elements are rated exceeds expectations and none of the critical elements are rated lower than fully successful.

(iii) For a summary performance rating of *fully successful*, one half or more of the critical elements are rated fully successful, and none of the critical elements are rated lower than minimally satisfactory.

(iv) For a summary rating of *minimally satisfactory*, one half or more of the critical elements in the employee's performance plan must be rated minimally satisfactory and no critical elements may be rated unacceptable.

(v) For a summary rating of *unacceptable* one or more critical elements are rated unacceptable.

(3) When an even number of critical elements are established for a performance plan and the ratings given for the critical elements are evenly divided, and none of the ratings are unacceptable, supervisors are to round-up and assign the higher summary rating.

(4) A summary rating of *minimally satisfactory* or *unacceptable* must be reviewed and initialed by a higher level supervisor prior to communicating with the employee.

(5) A narrative summary must be written for each critical element assigned a rating of *outstanding*, *minimally satisfactory* or *unacceptable*. This narrative should contain examples of

the employee's performance that substantiate and explain how the employee's performance falls within the levels assigned. The narrative summaries are recorded on the applicable PARS plan. A narrative summary is also encouraged, but not required, for ratings of *exceeds expectations* and *fully successful*.

(e) Performance Measures

(1) A good method to help supervisors and employees develop good performance measures is to use the *SMART* objectives process. Performance measures should be:

- (i) Specific: Clearly defined measures and expected results;
- (ii) Measurable: Readily observable, quantifiable, demonstrable or verifiable;
- (iii) Aligned: Measures are aligned with the work unit, program, regional and agency's goals;
- (iv) Realistic: Describe work expectations within the employee's control; and
- (v) Time constrained: Define appropriate timeframes for performance.

(f) Addressing Minimally Satisfactory or Unacceptable Performance

(1) The supervisor of record should document employee performance throughout the appraisal period. It is important to provide assistance as soon as possible after *minimally satisfactory* or *unacceptable* performance is noticed to allow sufficient time for a conversation with the employee and to pursue any necessary improvement measures during the current appraisal period.

(2) The supervisor must follow the performance improvement provisions of the appropriate CBA for bargaining unit employees whose performance on a critical element is minimally satisfactory or unacceptable. Subparagraphs VII(f)(4)-(6) of this order covers non-bargaining unit employees and bargaining unit employees under CBAs that do not address the specific minimally satisfactory or unacceptable performance situations listed below.

(3) Regardless of whether an employee is part of a bargaining unit or is non-bargaining, the supervisor of record must contact the servicing LER office for guidance before issuing a *Performance Assistance Plan* or *Performance Improvement Plan* (described below).

(4) Minimally Satisfactory Counseling

(i) If the employee has been on standards for at least 90 days and the employee's performance on a critical element falls to *minimally satisfactory*, but the employee's overall rating is still at least *fully successful*, the supervisor must conduct a counseling session or conversation with the employee to address the performance deficiencies that the supervisor has deemed *minimally satisfactory*.

(ii) The points covered in this counseling session or conversation must be documented in writing. Appendix B, *Record of the Minimally Satisfactory Counseling/Conversation*, is a

template that supervisors may use to document the conversation. The employee must also receive a copy of this document.

(iii) The supervisor must contact the servicing LER office when a counseling session has been conducted in accordance with VII(f)(4)(i) and (ii) and the employee's performance does not improve or falls to the *unacceptable* level.

(5) Performance Assistance Plan

(i) If an employee has been on standards for at least 90 days and the supervisor of record identifies that the employee's overall performance has fallen to the *minimally satisfactory* level (i.e., one half or more of the critical elements), the supervisor of record is required to provide immediate assistance with the issuance of a PAP with concurrence from the servicing LER office.

(ii) A PAP should be put in place as soon as possible after the employee's overall performance has fallen from *fully successful* to *minimally satisfactory*.

(iii) The employee should be provided with an opportunity to provide input in developing the PAP before it is finalized. Final approval of the PAP rests solely within the supervisor's discretion.

(iv) The PAP will provide the employee with at least 45 days to resolve the identified performance-related problem(s). It will be tailored to the employee's specific needs and may include formal training, on-the-job training, counseling, assignment of a mentor or other assistance as deemed appropriate.

(v) Once the PAP is in place, the rating cycle is extended, if needed, until the PAP period has ended. A PAP may also be extended at the discretion of the supervisor of record, if the employee's overall performance remains at the *minimally satisfactory* level.

(vi) Once the PAP has expired or the supervisor of record determines that assistance is no longer needed, and with concurrence from the servicing LER office, the supervisor will provide the employee with a written notice of this determination.

(vii) Assistance is provided to the employee to facilitate the employee reaching the *fully successful* level; however, an employee who performs at the *minimally satisfactory* level will not be reduced in grade (demoted) or removed solely on that basis.

(6) Performance Improvement Plan

(i) If the employee has been on standards for at least 90 days and the supervisor of record identifies that an employee's performance in one or more critical elements is at the *unacceptable* level, the supervisor of record is required to provide immediate assistance with the issuance of a *PIP* with concurrence from the servicing LER office.

(ii) A PIP must be in place within 15 business days after the employee is notified in writing of his or her *unacceptable* performance; however, failure to put a PIP in place

within that period does not relieve an employee from having to comply with the requirements of the PIP.

(iii) The employee should be provided with an opportunity to provide input in developing the PIP before it is finalized. Final approval of the PIP rests solely within management's discretion.

(iv) The PIP will provide the employee with at least 60 days to demonstrate acceptable performance (minimally satisfactory performance under the agency's five-level rating system) under the critical element(s) at issue. The PIP will be tailored to the employee's specific needs and may include formal training, on-the-job training, counseling, assignment of a mentor or other assistance as deemed appropriate. The PIP will notify the employee of the critical element(s) for which performance is unacceptable and inform the employee of the performance requirement(s) or standard(s) that must be attained in order to demonstrate minimally satisfactory performance. The PIP may also inform the employee of the performance requirement(s) or standard(s) that must be attained in order to reach the fully successful level of performance. The PIP must inform the employee that unless his or her performance in the critical element(s) at issue improves and is sustained at a minimally satisfactory level, the employee may be demoted or removed from employment.

(v) Once the PIP is in place the rating cycle is extended, if needed, until the PIP period has ended.

(vi) Once the PIP has expired or the supervisor of record determines that assistance is no longer needed, and with concurrence from the servicing LER office, the supervisor will provide the employee with a written notice of this determination.

(vi) Assistance is provided to the employee to facilitate the employee reaching the *fully successful* level. However, a *minimally satisfactory* rating of record is enough for an employee not to be demoted or removed for performance reasons.

VIII. RECORDS

Please see the agency's Record Schedules policies at <http://www.epa.gov/records/policy/schedule/index.htm> for detailed retention instructions for the following:

(a) EPA Records Schedule 107: Employee Performance File System; and

(b) EPA Records Schedule 563: Performance Rating Appeals.

IX. MATERIALS SUPERSEDED

This order supersedes Order 3151.1, Performance Management, approved September 30, 1997

X. APPENDICES

Appendix A: EPA Performance Appraisal and Recognition System Performance Plan and Summary Appraisal Package

Appendix B: Record of Minimally Satisfactory Counseling/Conversation